

## Message Text

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ACTION EUR-12

INFO OCT-01 IO-14 ISO-00 AGRE-00 AID-05 CEA-01 CIAE-00  
COME-00 EB-08 EA-12 FRB-01 INR-10 NEA-11 NSAE-00  
ICA-20 OPIC-06 SP-02 TRSE-00 LAB-04 SIL-01 OMB-01  
SS-15 /124 W

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R 101725Z MAY 78  
FM AMEMBASSY LONDON  
TO SECSTATE WASHDC 5997  
INFO AMEMBASSY BONN  
AMEMBASSY BRUSSELS  
AMEMBASSY COPENHAGEN  
AMEMBASSY DUBLIN  
AMEMBASSY THE HAGUE  
AMEMBASSY LUXEMBOURG  
AMEMBASSY PARIS  
AMEMBASSY ROME  
USMISSION GENEVA

UNCLAS LONDON 07385

USEEC ALSO FOR EMBASSY  
USOECN ALSO FOR EMBASSY  
USMTN ALSO FOR MISSION

PASS AGRICULTURE

E.O. 11652: N/A  
TAGS: EAGR UK  
SUBJECT: EC COMMISSION PRESIDENT JENKINS CALLS FOR END  
OF EC GREEN CURRENCY ANOMALIES  
BEGIN SUMMARY: IN A SPEECH AT MANCHESTER ON MAY 9, EC  
COMMISSION PRESIDENT JENKINS CALLED FOR ORDERLY DISMANT-  
LING OF MCA SYSTEM. HE DEFENDED THE CAP AGAINST UK  
ATTACKS ON IT. HE DENIED COMMISSION WANTED TO ABOLISH UK  
MILK BOARDS AFTER 1982 SAYING RATHER IT WOULD LIKE TO SEE  
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THEM EXTENDED TO OTHER MEMBERS. END SUMMARY.

1. EC COMMISSION PRESIDENT ROY JENKINS SPEAKING AT A  
SEMINAR IN MANCHESTER ON MAY 9 CLAIMED EUROPEAN CURRENCY  
INSTABILITY HAD BEEN A MAJOR FACTOR IN POOR EC INDUSTRIAL  
PERFORMANCE COMPARED WITH US AND JAPAN IN RECENT YEARS.  
HIS MAJOR CONCERN WAS OVER GREEN CURRENCY/MCA SYSTEM

WHICH HE SAID LED TO DISTORTION IN COMPETITION AND RESOURCE ALLOCATION AND RESULTED IN AN ADMINISTRATIVE BARRIER TO TRADE. HE CALLED FOR AN ORDERLY PHASING OUT OF THE MCA SYSTEM.

2. JENKINS DEFENDED THE CAP AGAINST THE MANY ATTACKS MADE ON IT IN THE UK SAYING IT ENSURED STABLE FOOD SUPPLIES AND FARMER INCOMES. HE POINTED OUT UK FOOD PRICES HAD RISEN ONLY 6.4 PERCENT OVER THE PAST YEAR, LESS THAN THE GENERAL RATE OF INFLATION. CURRENT EC FARM PRICE PROPOSALS WOULD ADD ONLY 0.5 PERCENT TO FOOD PRICES OVER THE NEXT YEAR. HE PLAYED DOWN THE SIGNIFICANCE OF EC SURPLUSES SAYING THEY AMOUNTED TO NO MORE THAN A FEW WEEKS' SUPPLY.

3. ON THE FUTURE OF THE MILK MARKETING BOARDS, JENKINS FIRMLY REJECTED CHARGES THAT THE COMMISSION WANTED TO ABOLISH THEM AND END DAILY DOORSTEP FLUID MILK DELIVERIES. EUROPE HAD A VESTED INTEREST IN PROMOTING MILK CONSUMPTION AND THE REASON FOR THE PROPOSED 1982 REVIEW OF THEIR FUNCTION, CURRENTLY BEING BITTERLY OPPOSED BY AGRICULTURE MINISTER SILKIN, WAS SIMPLY TO SEE IF THE EC AS A WHOLE COULD NOT ADOPT THE UK'S MILK SYSTEM. HE REGRETTED OTHER MEMBERS HAD SO FAR SHOWN LITTLE ENTHUSIASM FOR THIS IDEA.

COMMENT:  
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JENKINS'S VIEWS WILL PROBABLY BE TREATED VERY SCEPTICALLY HERE. TO BEGIN WITH, HE IS PUTTING THE COMMISSION VIEW.

THE 2.5 PERCENT AVERAGE FARM PRICE RISE FOR 1978-79 IS THE COMMISSION'S PROPOSAL AND HAS IN FACT BEEN GENERALLY ACCEPTABLE IN THE UK; IT IS GERMAN, DUTCH AND BELGIAN PRESSURE TO GO ABOVE THIS WHICH INCURS CRITICISM. SIMILARLY IT IS ACKNOWLEDGED THAT BY AND LARGE, THE COMMISSION IS THE UK'S ALLY ON THE FUTURE OF THE MILK BOARDS BUT THAT HOSTILITY IN THE COUNCIL OF MINISTERS TO THEIR PERMANENCE IS THE REAL THREAT.

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## Message Attributes

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**Channel Indicators:** n/a  
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**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
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**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 jan 1960  
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**Disposition History:** n/a  
**Disposition Reason:**  
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**Status:** NATIVE  
**Subject:** EC COMMISSION PRESIDENT JENKINS CALLS FOR END OF EC GREEN CURRENCY ANOMALIES BEGIN SUMMARY: IN A SPEECH AT MANCHESTER ON MAY 9  
**TAGS:** EAGR, ECON, UK, EEC, (JENKINS, ROY)  
**To:** STATE USEEC MULTIPLE  
**Type:** TE  
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